



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 2, 2015

CERTIFIED RETURN RECEIPT 7013 3020 0002 3659 5989

James C. Petersen
541 BLVD #2
Logan, Utah 84321

Subject: Review of Reclamation Surety, Petersen, James C., Henrietta 21, S/003/0029, Box Elder County, Utah

Dear Mr. Petersen:

The last reclamation cost estimate for the Henrietta 21 mine was done in 2009 and escalated to 2014 dollars with a bond escalation date of January, 4, 2014. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$25,200 to \$28,000 for a 3-year escalation or \$28,600 for a 5-year escalation. The average reclamation costs are outlined below:

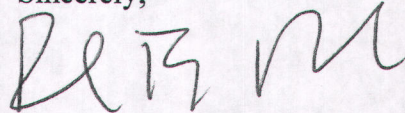
<i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i>			
<i>Henrietta 21 S/03/0029</i>			
<i>3-year escalation (2018)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	4	\$5,000.00	\$20,000.00
TOTAL	5 Ac		\$28,000.00
<i>5-year escalation (2020)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	4	\$5,100.00	\$20,400.00
TOTAL	5 Ac		\$28,600.00

James C. Petersen
Page 2 of 2
S/003/0029
September 2, 2015

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by email at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of 2 CD's with Lewiston State Bank. You may increase the amount in the certificate of deposit or increase the cash deposit. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>. Please provide the additional surety no later than October 30, 2015.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Lynn Kunzler, at 801-538-5310 if you have questions concerning this requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Mining Program Manager

PBB:mt:pb
cc: Larry Garahana, BLM (larry_garahana@blm.gov)
p:\groups\minerals\wp\m003-boxelder\s0030029-henrietta21\final\bond-escal-08312015.doc